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**EVERGREEN RETIREMENT TRUST  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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Including the following Funds:

**Absolute Growth Fund (GBP) - Pounds sterling denominated**  
**Income Plus Fund (GBP) - Pounds sterling denominated**

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**EVERGREEN RETIREMENT TRUST**  
**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
		2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
<b>Revenue</b>							
Interest income		69	546	207	326	276	872
Dividend income		-	-	41,458	43,314	41,458	43,314
Net (losses)/gains on financial instruments at net realisable value	5	(17,694)	(17,595)	(1,900,407)	(428,404)	(1,918,101)	(445,999)
Foreign exchange losses on cash at bank and outstanding settlements		(497)	(547)	(8,344)	(598)	(8,841)	(1,145)
<b>Total Revenue</b>		<b>(18,122)</b>	<b>(17,596)</b>	<b>(1,867,086)</b>	<b>(385,362)</b>	<b>(1,885,208)</b>	<b>(402,958)</b>
<b>Expenses</b>							
Investment management fees		15,589	24,946	83,793	93,861	99,382	118,807
Administration expenses	4	426	18,865	21,695	56,473	22,121	75,338
Transaction costs		655	262	1,470	1,445	2,125	1,707
Audit fees		(2,109)	(2,062)	(9,237)	16,658	(11,346)	14,596
Legal fees		6,664	-	55,136	-	61,800	-
Wind-up costs		-	2,076	-	10,897	-	12,973
<b>Total Expenses</b>		<b>21,225</b>	<b>44,087</b>	<b>152,857</b>	<b>179,334</b>	<b>174,082</b>	<b>223,421</b>
<b>Net Loss before Membership Activities and Transfer to Reserves</b>		<b>(39,347)</b>	<b>(61,683)</b>	<b>(2,019,943)</b>	<b>(564,696)</b>	<b>(2,059,290)</b>	<b>(626,379)</b>
<b>Withdrawals</b>							
Member withdrawals		112	1,984,993	795	2,875,978	907	4,860,971
<b>Net Membership Activities</b>		<b>(112)</b>	<b>(1,984,993)</b>	<b>(795)</b>	<b>(2,875,978)</b>	<b>(907)</b>	<b>(4,860,971)</b>
Movements in members' accounts		(39,459)	(2,046,676)	(2,020,738)	(3,440,674)	(2,060,197)	(5,487,350)
<b>Members' accounts at the beginning of the period</b>		<b>346,516</b>	<b>2,393,192</b>	<b>3,406,582</b>	<b>6,847,256</b>	<b>3,753,098</b>	<b>9,240,448</b>
<b>Members' accounts at the end of the period</b>		<b>307,057</b>	<b>346,516</b>	<b>1,385,844</b>	<b>3,406,582</b>	<b>1,692,901</b>	<b>3,753,098</b>

The notes to the unaudited financial statements set out on pages 5 to 8 should be read in conjunction with this unaudited statement of changes in net assets available for benefits.

**EVERGREEN RETIREMENT TRUST**  
**UNAUDITED STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
**AS AT 31 MARCH 2020**

	Notes	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
		2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
<b>Members' Funds</b>		<b>307,057</b>	346,516	<b>1,385,844</b>	3,406,582	<b>1,692,901</b>	3,753,098
		<b>307,057</b>	346,516	<b>1,385,844</b>	3,406,582	<b>1,692,901</b>	3,753,098
<b>Assets</b>							
Cash and cash equivalents	6	4,257	9,550	10,585	18,231	14,842	27,781
Trade and other receivables	8	733,573	843,865	1,612,531	1,622,201	2,346,104	2,466,066
Financial assets at net realisable value	7	38,633	75,833	519,397	2,688,832	558,030	2,764,665
Unit holder attributed taxation receivable		275	275	-	-	275	275
<b>Total Assets</b>		<b>776,738</b>	929,523	<b>2,142,513</b>	4,329,264	<b>2,919,251</b>	5,258,787
<b>Liabilities</b>							
Trade and other payables	9	467,029	580,305	742,768	865,877	1,209,797	1,446,182
Trade and other payables to related parties	9, 10	837	1,034	6,921	10,132	7,758	11,166
Financial liabilities at net realisable value	7	1,815	1,668	6,980	46,673	8,795	48,341
<b>Total Liabilities</b>		<b>469,681</b>	583,007	<b>756,669</b>	922,682	<b>1,226,350</b>	1,505,689
<b>Net Assets Attributable to Members</b>		<b>307,057</b>	346,516	<b>1,385,844</b>	3,406,582	<b>1,692,901</b>	3,753,098

The notes to the unaudited financial statements set out on pages 5 to 8 should be read in conjunction with this unaudited statement of net assets available for benefits.

**EVERGREEN RETIREMENT TRUST**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
		2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
<b>Cash Flows from Operating Activities</b>							
Cash was provided from:							
Interest income		69	546	207	326	276	872
Dividend income		-	-	41,458	43,314	41,458	43,314
Sale of investments		129,542	2,245,737	237,986	2,289,296	367,528	4,535,033
Cash was applied to:							
Payment of expenses		(23,562)	(59,292)	(129,584)	(190,064)	(153,146)	(249,356)
Purchase of investments		-	(732,013)	(7,310)	(5,143)	(7,310)	(737,156)
<b>Net cash provided from operating activities</b>		<b>106,049</b>	<b>1,454,978</b>	<b>142,757</b>	<b>2,137,729</b>	<b>248,806</b>	<b>3,592,707</b>
<b>Cash Flows used in Financing Activities</b>							
Cash was applied to:							
Withdrawals by members		(111,248)	(1,446,893)	(150,388)	(2,131,601)	(261,636)	(3,578,494)
<b>Net cash used in financing activities</b>		<b>(111,248)</b>	<b>(1,446,893)</b>	<b>(150,388)</b>	<b>(2,131,601)</b>	<b>(261,636)</b>	<b>(3,578,494)</b>
<b>Net (decrease)/increase in Cash and Cash Equivalents</b>		<b>(5,199)</b>	<b>8,085</b>	<b>(7,631)</b>	<b>6,128</b>	<b>(12,830)</b>	<b>14,213</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>9,550</b>	<b>1,394</b>	<b>18,231</b>	<b>12,094</b>	<b>27,781</b>	<b>13,488</b>
Effect of exchange rate fluctuations		(94)	71	(15)	9	(109)	80
<b>Cash and cash equivalents at the end of the year</b>	6	<b>4,257</b>	<b>9,550</b>	<b>10,585</b>	<b>18,231</b>	<b>14,842</b>	<b>27,781</b>

The notes to the unaudited financial statements set out on pages 5 to 8 should be read in conjunction with this unaudited statement of cash flows.

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**1. General Information**

The reporting entity is the Evergreen Retirement Trust ("the Scheme"). The Scheme is made up of funds ("the Funds") as detailed below. Notwithstanding the division of the Scheme into Funds, the Scheme comprises a single trust with the value of the members' interest in the Scheme determined by reference to the value of the units they hold in the Funds.

The Funds as at 31 March 2020 were as follows:

- Absolute Growth Fund - Pounds sterling denominated
- Income Plus Fund - Pounds sterling denominated

The New Zealand Guardian Trust Company Limited ("NZGT" or "Trustee") acts as Trustee of the Scheme and delegated the management, administration and investment manager duties of the Scheme, in so far as it is possible under the FMC Act, to Evergreen Capital Partners Limited ("the Delegated Manager"). The Scheme's registered office is DLA Piper New Zealand, 50 Customhouse Quay, Wellington.

**2. Summary of Accounting Policies**

**i Statutory Base**

The financial statements have been prepared in accordance with the requirements of the Trust Deed and the FMC Act.

**ii Basis of Preparation**

As the Scheme became a Restricted Legacy Scheme on transition to the Financial Markets Conduct Act 2013 and closed to new members the realisation basis of accounting has been used in the preparation of the financial statements since 31 March 2017.

The Trustee announced the commencement of the wind up of the Scheme on 6 April 2018 and continues to apply realisation basis in the preparation of financial statements. The Trustee has applied the requirements of paragraph 25 of NZ IAS 1 Presentation of Financial Statements which states that "When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern."

The Trustee is liquidating the Scheme as soon as the underlying investments can be realised. No further wind up costs were expensed in the year (2019: £12,973) and accruals at year end amounts to £54,348 (2019: £62,213) which have been recorded under trade and other payables in the statement of net assets available for benefits.

*Impact of adopting the liquidation basis of preparation on measurement, classification of assets and liabilities and disclosures in the financial statements.*

Under the liquidation basis of preparation, assets and liabilities are measured at their liquidation value. As a result, the assets are stated at their estimated net realisable value and liabilities are stated at their estimated settlement amount, and the relevant estimates will be periodically reviewed and adjusted as appropriate. Assets and liabilities included in the financial statements of the Scheme are stated on the following basis:

- Receivables are stated at their recoverable amounts, which are the estimated net cash proceeds to be received from the debtors.
- Financial instruments that were previously recognised at fair value through profit or loss, are stated at net realisable value at balance date. No adjustments have been made to reflect any discount on illiquid investments.
- Cash and bank balances are presented at face value, and
- Trade payables, other payables, accruals and provisions are stated at estimated settlement amounts.

In adopting the cessation basis, the Trustee has continued to apply the disclosure requirements of New Zealand IFRS and New Zealand GAAP, to the extent they are relevant to the liquidation basis, and have modified them where this is considered appropriate.

The impact of the Novel Coronavirus pandemic ("COVID-19") was assessed during the preparation of these financial statements.

Accounting policies have been applied consistently with prior periods. Based on the Trustee's assessment there are no new accounting standards, amendments to standards and interpretations that have a material impact on these financial statements. The same applies for any new standards, amendments to standards and interpretations that have been issued but are not yet effective.

**3. Accounting Estimates and Judgements**

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires the Trustee to exercise its judgement in the process of applying the Scheme's accounting policies. The Trustee has applied its judgement in selecting the accounting policy to designate financial assets at net realisable value. The Trustee considers that fair value is a reasonable determinate of net realisable value. This policy has a significant impact on the amounts disclosed in the financial statements. It is possible to determine the net realisable value of financial assets where quoted market prices are readily available and in the case of derivatives observable market inputs are readily available. Where quoted market prices are not readily available the Scheme must exercise significant judgement to determine the net realisable value of the financial asset which may impact on the amounts disclosed in the financial statements. Therefore there are material assumptions or major sources of estimation uncertainty that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in these financial statements. As with all investments, their value is subject to variation due to market fluctuations. The decline in investment markets as a result of COVID-19 adversely impacted the closing value of investments as at 31 March 2020.

**4. Administration Expenses**

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Professional fees	3,052	12,646	24,160	48,819	27,212	61,465
Investment accounting fees	(2,704)	5,868	(2,767)	7,320	(5,471)	13,188
Other expenses	78	351	302	334	380	685
<b>Total administration expenses</b>	<b>426</b>	<b>18,865</b>	<b>21,695</b>	<b>56,473</b>	<b>22,121</b>	<b>75,338</b>

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
<b>5. Net (losses)/gains on Financial Instruments at Net Realisable Value</b>						
International equity unitised funds	(13,711)	39,632	(9,785)	(17,319)	(23,496)	22,313
International fixed interest unitised funds	-	-	(1,809,526)	(148,336)	(1,809,526)	(148,336)
International property trusts	-	-	(47,610)	(245)	(47,610)	(245)
Foreign exchange contracts	(3,983)	(57,227)	(33,486)	(262,504)	(37,469)	(319,731)
<b>Net (losses)/gains on financial instruments at net realisable value</b>	<b>(17,694)</b>	<b>(17,595)</b>	<b>(1,900,407)</b>	<b>(428,404)</b>	<b>(1,918,101)</b>	<b>(445,999)</b>
<b>6. Cash and Cash Equivalents</b>						
Cash - Pounds sterling	3,114	7,115	740	6,955	3,854	14,070
Cash - New Zealand dollar	1,143	2,431	670	1,159	1,813	3,590
Cash - Australian dollar	-	-	9,156	10,114	9,156	10,114
Cash - United States dollar	-	4	19	3	19	7
<b>Total cash and cash equivalents</b>	<b>4,257</b>	<b>9,550</b>	<b>10,585</b>	<b>18,231</b>	<b>14,842</b>	<b>27,781</b>
<b>7. Financial Instruments at Net Realisable Value</b>						
<i>Financial assets at net realisable value</i>						
International equity unitised funds	38,633	75,833	27,573	54,121	66,206	129,954
International fixed interest unitised funds	-	-	-	2,115,457	-	2,115,457
International property trusts	-	-	455,848	503,458	455,848	503,458
Forward foreign exchange contracts	-	-	35,976	15,796	35,976	15,796
<b>Financial assets at net realisable value</b>	<b>38,633</b>	<b>75,833</b>	<b>519,397</b>	<b>2,688,832</b>	<b>558,030</b>	<b>2,764,665</b>
<i>Financial liabilities at net realisable value</i>						
Forward foreign exchange contracts	(1,815)	(1,668)	(6,980)	(46,673)	(8,795)	(48,341)
<b>Financial liabilities at net realisable value</b>	<b>(1,815)</b>	<b>(1,668)</b>	<b>(6,980)</b>	<b>(46,673)</b>	<b>(8,795)</b>	<b>(48,341)</b>

The Scheme maintains an active hedging policy designed to hedge returns of the underlying funds back to the currency in which the Fund is denominated. Hedge accounting has not been used in the preparation of these financial statements. The Scheme uses OM Financial Limited ("OMF") to execute margin foreign exchange contracts and deliverable foreign exchange contracts. For margin foreign exchange contracts OMF can unilaterally reduce the size of the margin foreign exchange contract if the Scheme's balance falls below an agreed minimum amount. To date, OMF has not established a minimum amount for the Scheme and OMF have not exercised that right. No assets of the Scheme were pledged as collateral or security against the margin account.

Cash receipts from OMF and payments to OMF were reported on a net basis in the Statement of Cash Flows because the turnover is quick, the amounts are large and the maturities are short.

**(i) Valuation**

Assets designated as fair value through profit or loss comprising of international equity, international fixed interest and international property unitised funds have been valued using redemption prices supplied by the managers of the underlying funds. Redemption price for liquid investments is the amount that the units could have been redeemed for had the redemption request been placed with the underlying fund manager on the balance sheet date.

Redemption price on the balance sheet date is considered to approximate fair value on the balance sheet date. Illiquid investments referred to below are carried at the unit price provided by the underlying fund manager.

The Trustee and the Delegated Manager are assessing the options in relation to the illiquid asset realisation and delivering the best possible outcome for members. This means there is uncertainty around the realisable value of assets (and related uncertainty in relation to the future costs of running the Scheme) stated in the financial statements. The valuation of the underlying investments, is as supplied by the managers of the underlying funds, and are included in level two of the fair value hierarchy, except GDI No 36 Perth CBD Office Trust which is included in level 3. The Trustees have been unable to independently verify the value of the investment in GDI No 36 Perth CBD Office Trust as the audited financial statements of this fund are not yet available.

The investment in the Penrich Capital G10 Currency Income Fund was realised at substantially less than the book value at the date of redemption, resulting in a realised loss of US\$2,399,095 (GBP1,946,516). The Trustee is seeking direction from the High Court in New Zealand in relation to the recovery of losses caused to the Scheme and the related issue of Scheme funds to be expended on legal fees. The Trustee has also prepared and filed a claim against personnel associated with the Penrich Capital G10 Currency Income Fund with the High Court in New Zealand. These actions were taken by the Trustee to preserve members' right and benefits.

Fair values for assets and liabilities that are held for trading comprising of forward foreign exchange contracts have been determined using valuation techniques using market observable inputs which are included in level two of the fair value hierarchy. The fair values have been calculated from spot exchange rates and forward points supplied by the WM Company and Thomson Reuters (WM/Reuters).

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**7. Financial Instruments at Net Realisable Value (continued)**

The following table shows a reconciliation from the opening balance to the closing balance for the fair value measurements in level 3 of the fair value hierarchy:

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
Opening balance	-	-	503,458	503,702	503,458	503,702
Losses recognised in profit or loss	-	-	(47,610)	(244)	(47,610)	(244)
Closing balance	-	-	455,848	503,458	455,848	503,458
Change in unrealised gains for the period included in profit or loss for financial assets and liabilities held at balance date	-	-	(47,610)	(244)	(47,610)	(244)

**8. Trade and Other Receivables**

Forwards margin accounts	733,573	843,865	1,612,531	1,622,201	2,346,104	2,466,066
<b>Total Trade and Other Receivables</b>	<b>733,573</b>	<b>843,865</b>	<b>1,612,531</b>	<b>1,622,201</b>	<b>2,346,104</b>	<b>2,466,066</b>

**9. Trade and Other Payables**

Audit fees payable	-	4,427	-	19,388	-	23,815
Legal fees payable	6,664	-	55,136	-	61,800	-
Wind up costs payable	12,622	14,111	41,726	48,102	54,348	62,213
Member withdrawals payable	444,874	556,010	643,037	792,630	1,087,911	1,348,640
Investment accounting fees payable	2,869	5,757	2,869	5,757	5,738	11,514
<b>Total Trade and Other Payables</b>	<b>467,029</b>	<b>580,305</b>	<b>742,768</b>	<b>865,877</b>	<b>1,209,797</b>	<b>1,446,182</b>

**Trade and Other Payables to Related Parties**

Investment management fees payable (refer note 10)	837	1,034	6,921	10,132	7,758	11,166
<b>Total Trade and Other Payables to Related Parties</b>	<b>837</b>	<b>1,034</b>	<b>6,921</b>	<b>10,132</b>	<b>7,758</b>	<b>11,166</b>

**10. Related Parties**

**Delegated Manager and Investment Manager**

The Delegated Manager of the Scheme is Evergreen Capital Partners Limited. The Delegated Manager is entitled to scheme management fees of 1.5% per annum (plus GST) of the value of the Member's Account. With the agreement of the Trustee, this fee has changed to a fixed schedule of fees from 7 April 2018.

Clearwater Capital LP, which is a related party of Evergreen Capital Partners, is the Investment Manager of the Scheme. The Investment Manager is entitled to management fees of 1.5% per annum (plus GST if any) of the net asset value of the Absolute Growth Fund and 1.0% (plus GST if any) of the Income Plus Fund. With the agreement of the Trustee, this fee was reduced to the recovery of hedging advisory services from 7 April 2018. This fee ceased in March 2020.

The Trustee is entitled to a fee for the day-to-day functions of acting as Trustee of the Scheme. The fee is payable by the Delegated Manager. The Trustee has stopped charging the day-to-day fee. Other ad hoc Trustee fees may be charged to the Scheme.

The Delegated Manager's, Investment Manager's and Trustee's fees are provided for in accordance with the Trust Deed.

Fees paid or payable to related parties for the period were as follows:

	Absolute Growth Fund (GBP)		Income Plus Fund (GBP)		Scheme (GBP)	
	2020 £	2019 £	2020 £	2019 £	2020 £	2019 £
<b>Evergreen Capital Partners Limited:</b>						
Scheme management fee expense	6,558	30,133	55,859	100,879	62,417	131,012
Scheme management fee payable	574	792	4,746	7,757	5,320	8,549
<b>Clearwater Capital LP:</b>						
Investment management fee expense	2,986	6,946	25,457	28,386	28,443	35,332
Investment management fee payable	263	242	2,175	2,375	2,438	2,617

**11. Contingent Liabilities**

There were no contingent liabilities as at 31 March 2020 (2019: Nil).

**EVERGREEN RETIREMENT TRUST  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**12. Capital Commitments**

There were no capital commitments as at 31 March 2020 (2019: Nil).

**13. Events After Balance Date**

Subsequent to balance date the Delegated Manager has been unable to liquidate the remaining underlying investments. Covid-19 temporarily halted the operation of the secondary market which would have allowed the Manager and Trustee to consider the realisation of the remaining underlying investments.

The Trustee intends to make future distributions as liquidity allows. At the final wind up of the Scheme, unpaid distribution proceeds will be paid to the Treasury under the unclaimed monies process for superannuation scheme under s77 of the Trustee Act 1956.

There were no other material subsequent events which require adjustment to or disclosure in these financial statements.



Date: 22 July 2021

To: The Registrar of Financial Service Providers

**SIGNOFF UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020  
EVERGREEN RETIREMENT TRUST**

On behalf of The New Zealand Guardian Trust Company Limited (**Manager**), I, the undersigned, confirm that:

The attached unaudited financial statements that comply with generally accepted accounting practice have been prepared for the Manager, as at the balance date, for the Evergreen Retirement Trust.



.....  
Harry Koprivicic  
CEO

The New Zealand Guardian Trust Company Limited